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Connecticut
COMMON CAUSE
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Testimony before the Government Administration and Elections Committee

March 4, 2014

Regarding:

HB 5277 AAC A Knowing and Willful Violation of Chapter 155

SB 227 AAC State Elections Enforcement Commission Committee Review

SB 228 AA Establishing a Pilot Program for Municipal Campaign Filings

Chairmen Musto and Jutila, Senator McLachlan, Representative Hwang and members of the Government Administration and Elections Committee. My name is Cheri Quickmire and I am the Executive Director of Common Cause in Connecticut. Thank you for the opportunity to testify before you today.

Common Cause in Connecticut is a nonpartisan, nonprofit citizen lobby that works to improve the way Connecticut's government operates. Common Cause has worked for four decades in Connecticut and worked with the General Assembly and many governors to pass strong freedom of information laws, election reforms that open up our electoral system to broader participation, campaign finance and disclosure reforms, and common sense ethics reforms. We have more than 400,000 members around the country and 35 state chapters. We have approximately 7200 members and activists in Connecticut.

**I am here to testify <u>in favor</u> of two bills, SB 227 and 228 and in <u>opposition</u> to one – House Bill 5277, AAC A Knowing and Willful Violation of Chapter 155.**

**We support SB 227 concerning SEEC Election Committee Review** permits the State Elections Enforcement Commission to inspect the bank statements of any candidate committee that it is not auditing in order to ensure proper distribution of surplus funds or to discover major improprieties with campaign funds. The General Assembly made the decision to audit only 50% of candidate committees for House and Senate – 100% of candidate committees for constitutional office in 2011. Common Cause was critical of that decision and the reduction of

audit oversight of elections at the time. We feel this bill offers a common sense addition to the statute and fortifies oversight of the Citizens' Election Program, providing additional public confidence in the Program by insuring that public funds are being appropriately utilized.

**We also support SB 228, AA Establishing a Pilot Program for Municipal Campaign Filings.** This is an opportunity to modernize campaign filings by permitting 20 municipalities to file campaign finance reports with the State Elections Enforcement Commission (SEEC) through the ECRIS electronic system as a pilot central repository for campaign filings. Campaign filings will go to the State Elections Enforcement Commission and be available on line.

One extremely important opportunity this pilot offers the public is an ability to access those filings electronically. We think this is a chance to make local elections more transparent and easier to access by the public – currently citizens seeking information about a municipal campaign must wade through paper documents in files at the city/town clerks' offices, a time-consuming and inefficient process to access public documents. The public should be able to take advantage of a central electronic system. I urge passage.

**House Bill 5277 AAC Knowing and Willful Violation of Chapter 155** is far-reaching and extremely problematic proposal. It significantly reduces the penalty for knowingly and willfully breaking election law. It is that broad. "Any person who knowingly and willfully violates any provision of this chapter shall be fined not more than twenty-five thousand dollars unless a fine of a larger amount is otherwise provided for as a maximum fine under this chapter, in which case the larger amount shall be the maximum fine for such violation". <u>This violation currently warrants a Class D felony classification that is punishable by imprisonment of 1-5 years</u>. **This is a serious offense and it should warrant such a serious charge.**

Removing this criminal penalty would be a mistake and would permit outside spenders like Crossroads GPS and Americans for Prosperity and others to spend to influence our elections and if they don't bother to report or otherwise violate the law they will be fined up to $25,000. It is laughable to think that $25,000 or even $50,000 as referenced in another part of the law, is a serious disincentive. $25,000 - $50,000 would be considered the price of doing business. Jail time is a serious deterrent. Taking away penalties for not obeying the law is the wrong direction in an era where outside spenders increase spending each election. And it seems that it would be a loss of a tool that the Chief State's attorney uses to prosecute violators of the law. In 2012 $750,000 was spent in Connecticut elections – a small amount compared to other states - and we can anticipate additional spending in 2014.

Changes to the law last session maintained the Citizens' Election Program, which is extraordinarily important despite what has become an arms race of sorts with state legislators striking back against the Supreme Court ruling on Citizens United vs the FEC which allows unfettered amounts of outside special interest money to be spent influencing elections. Supporters of the law asserted that they need more money – a whole lot more- to counter the mega-millions in independent expenditures that threaten their hold on office.

The ban on contributions from state contractors remained in place despite efforts to undo that prohibition but transparency suffered - **transparency of independent expenditures by PACs**

**and corporations and there was an increase in the fine for non compliance to $25,000 and the charge of a Class D Felony.**

The new law opens the CEP participants unlimited amounts of donations from their own state central parties. Common Cause in Connecticut firmly believes that the way to combat vast amounts of special interest money is NOT with even more money. As a consequence of the new law, the amount that an individual can donate to state parties has been doubled, going from $5,000 to $10,000, and the new law eliminates restrictions on negative campaigning on behalf of Citizens' Elections candidates.

We remain concerned that the law does not create a complete firewall barring all coordination between a candidate and a political action committee. Until a Super PAC makes or announces an intention to make an independent expenditure on behalf of a candidate, that candidate may now argue they can help raise money for the political action committee. For example, a Citizens' Elections candidate or someone running against him or her could be appearing on a weekly basis and raise millions of dollars for that Super PAC. Then that same PAC can run unlimited "independent" advertisements, promoting the same candidate that helped them raise money. The law should make it clear that this is coordination.

In essence, special interests can again make their influence felt by channeling large amounts of money to the parties who, in turn, pass along the contributions to candidates.

Lawmakers are correct when they say that this is a time of new challenges in elections. Connecticut needs to update, not hack away at the landmark Citizens' Election program. The best way to combat mega-donations and prevent candidates from becoming beholden to wealthy interests is to allow parties and candidates to raise additional small contributions from individuals and get a multiple match for those contributions. Connecticut needs strong disclosure requirements for outside spenders and clear, strong rules to prevent candidates and special interest funders of "independent expenditures" from coordinating their activities.

For eight years, Connecticut could rightfully boast that we had repaired a corrosive system, one that undermined the public trust and that we had enacted a public financing system that we could be proud of. **We oppose HB 5227.**